

ABSTRACT

Investors tend to be interested in investing in shares in companies that perform well in increasing the value of the company. The value of the company can be reflected through the stock price. The higher the stock price means the higher the rate of return to investors and that means the higher the value of the company is related to the goal of the company itself, namely to maximize shareholder wealth.

This study aims to analyze the effect of institutional ownership, dividend policy, and debt policy on firm value in non-financial LQ45 index companies listed on the Indonesian stock exchange in 2016-2019. The sampling technique used is purposive sampling technique.

The population in this study are LQ45 companies listed on the Indonesia Stock Exchange (IDX) 2016-2019. The analytical tool used is panel data regression and the data used is secondary data in the form of complete financial statements during the research period. The method used is descriptive quantitative.

The results of this study indicate that simultaneously institutional ownership, dividend policy, and debt policy have a significant effect on firm value. Partially, institutional ownership and debt policy have a significant effect on firm value, while dividend policy has no effect on firm value.

With the Adjusted R-Square value of 0.519462 or 51.94%, it can be obtained information that the independent variables of institutional ownership, dividend policy and debt policy can explain the dependent variable, namely firm value of 51.94% while the remaining 48.06% is explained by other factors.

Keywords: Firm value, Debt Policy, Dividend Policy, Institutional Ownership